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U.S. Suspected Embassy Spying for Years

Moscow Security Breach Thrived on Red Tape

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WASHINGTON — U.S. officials suspected more than three years ago that Soviet spies had penetrated the American Embassy in Moscow, but serious security problems at the post were never fixed because of bureaucratic resistance and turf battles between agencies, according to intelligence sources and administration officials.

Intelligence officials said a 1985 survey of security at the embassy in Moscow concluded that some of the embassy's locks didn't work and that some alarms were miswired and had never been inspected. Investigators also found that the embassy's Marine guards made no random patrols, that some windows and skylights weren't protected and that State Department couriers sometimes checked diplomatic pouches as baggage on flights to Moscow.

"The Soviets repeatedly 'lost' U.S. diplomatic pouches, usually for several days," said one intelligence official.

A year earlier, armed with convincing evidence that the Soviets had gained access to U.S. secrets in Moscow, then-Central Intelligence Agency Director William Casey, former National Security Adviser Robert McFarlane and other high-ranking intelligence officers persuaded President Reagan to approve a secret plan for the surprise removal of thousands of pounds of communications gear, copying machines, electric typewriters and other equipment from the Moscow embassy, intelligence sources said.

The team found ingeniously bugged typewriters. U.S. counterintelligence experts later uncovered other security lapses at the Moscow embassy, and they found conditions at a new U.S. Embassy under construction in Moscow even worse than expected. Among other things, the Soviets had wired the steel reinforcing bars in the building's concrete structure together to form a giant antenna.

"The new embassy is such a state-of-the-art listening device that we ought to tear that thing down and start all over again," said Sen. Patrick Leahy, (D., Vt.), a member of the Senate Intelligence Committee, which last year released a report critical of security at the Moscow embassy.

One intelligence source said the security lapses add up to "a horror story of immense proportions"—transcending the recent arrest of two Marine guards who allegedly became involved with Soviet women and allowed Soviet agents to roam around the rambling yellow apartment building that houses the U.S. mission to Moscow.

Intelligence officials said the Soviets may have bugged the aging offices of the current embassy so thoroughly that normal communications now have been shut down and virtually all the equipment in the embassy will have to be replaced. They said Secretary of State George Shultz may be forced to use the radios on his airplane to report to Washington when he visits Moscow April 13 to meet with Soviet Foreign Minister Eduard Shevardnadze.

"To the KGB (the Soviet intelligence agency), the U.S. Embassy in Moscow has to be like a candy store," said Sen. Leahy.

Officials said that at a meeting last Friday of the administration's top-level National Security Planning Group, Vice President George Bush was "furious" at what he considers State Department resistance to tougher security measures. The officials said Mr. Bush was particularly disturbed by a cable sent by U.S. Ambassador to Moscow Arthur Hartman, in which Mr. Hartman argued that fears about security at the Moscow embassy were exaggerated.

Although administration officials caution that estimates of the damage done to U.S. security represent a worst-case analysis, senior intelligence officials said the problems probably aren't unique to the Moscow embassy. Intelligence sources said similar, though less serious, breaches of security have been uncovered at U.S. Embassies in Eastern Europe and elsewhere.

Under the 1984 plan approved by President Reagan, an undercover team of intelligence officers was dispatched to the Soviet capital. To prevent the Soviets from discovering the operation, the U.S. Embassy wasn't told the team's real mission.

But as the secret team slapped a round-the-clock guard on the equipment officials suspected might have been bugged, a State Department communicator fired off a message to Washington demanding to know what was going on. Shortly thereafter, one intelligence source said, the embassy began experiencing power shortages, which the source said "might have been a coincidence."

When the suspect gear was returned to the U.S., technicians from the National Security Agency, the super-secret electronic intelligence and communications agency, discovered that some of the embassy's IBM Selectric typewriters—including one used in Ambassador Hartman's office—had been bugged, apparently while the machines were being shipped, unguarded, to Moscow, beginning a decade ago.

An aluminum frame inside some of the typewriters had been hollowed out and fit-

ted with tiny magnetic sensors that "read" the position of the typing ball as each key was struck, intelligence sources said. The sensors were connected to a microprocessor and a device called a "burst transmitter," which stored and encrypted the sensor readings, then transmitted them to a listening post in short bursts, either through the air or through the typewriter's power cord and the embassy's electrical wiring.

Despite such discoveries, intelligence and congressional sources and administration officials said, State Department officials have strongly resisted efforts to reduce the number of Soviet citizens working at the embassy in Moscow, to triple the size of the Marine guard force there, and to improve the existing embassy's physical security.

"There has been an attitude that there is no way to ensure secrecy," said Sen. William Cohen (R., Maine), the vice chairman of the Senate Intelligence Committee.

Intelligence officials conceded, however, that the State Department and the Marine Corps don't deserve all the blame for the latest intelligence fiasco. They said President Reagan hasn't resolved longstanding rivalries among the CIA, the NSA, the Pentagon and the State Department that have frustrated efforts to develop comprehensive security plans in Moscow and elsewhere.

"State would rather run the risk of having the KGB read their stuff than have the NSA read it," said one senior intelligence official. "Somebody's got to be in charge. You cannot have a successful CIA station where the State Department operation has been penetrated, or vice versa."

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CONTRIBUTED TO THIS ARTICLE